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How the U.S. Cloaks A \$24 Billion Budget

Details of Intelligence Community Are Secret

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One of the most secret—and confusing—budget stories in Washington is the annual battle over funding U.S. intelligence agencies.

Ask the government for a copy of the intelligence budget, an estimate of its size, its scope or even the name of the person in charge of its intricate puzzle of accounts, and the perennial reply is, "No comment."

In the executive branch, access to all of its details requires more than 20 security clearances for programs as diverse as underwater listening posts, infrared imaging satellites and fake noses, mustaches, and wigs for undercover operatives in the Central Intelligence Agency's clandestine service.

Yet today, the intelligence budget is 7 to 8 percent of the \$300 billion defense budget and growing. Over the next two months, the House and Senate intelligence oversight committees will mark up authorization bills for the intelligence "community," as the collection of agencies is known, to spend billions of dollars that are disguised in the defense budget.

But the process is not uniform. In the House, all intelligence programs are funded by the House Permanent Select Committee on Intelligence. In the Senate, half the budget is controlled by the Senate Select Committee on Intelligence and half is controlled by the Senate Armed Services Committee.

The size of the intelligence budget is classified. But according to well-informed sources, the proposed intelligence budget for the 1987 fiscal year that begins Oct. 1 exceeds \$24 billion. It is spread among the four military services and the alphabet spy agencies: CIA, the Defense Intelligence Agency (DIA), the National Reconnaissance Office (NRO) and the National Security Agency (NSA).

The man nominally at the top of pyramid controlling the budget, CIA Director William J. Casey, is responsible for providing a unified

intelligence "product" to the president and his national security affairs advisers. In fact, more than half of the intelligence budget is controlled by the Defense Department. Just last year, the Pentagon shifted the management of its intelligence programs from policy undersecretary Fred C. Ikle and created a new intelligence czar in Donald C. Latham, the assistant secretary for command, control, communications and intelligence in the department's research and engineering directorate.

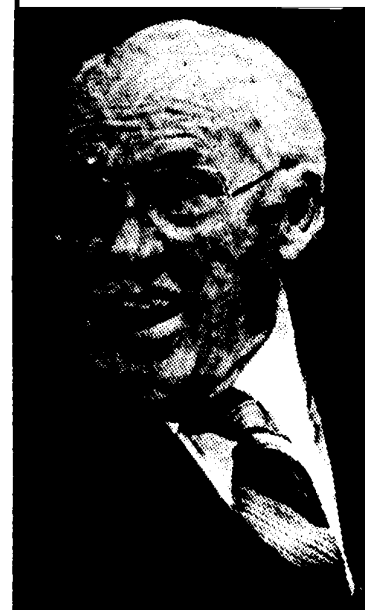
Some activities are conducted closer to the public eye than others. For example, CIA covert paramilitary operations in such places as Afghanistan, Nicaragua and Angola receive far more publicity than any other intelligence activity. But the budget for such operations, something more than \$500 million this year, represents only 2 to 3 percent of the overall intelligence budget.

Half the intelligence budget, roughly \$12 billion, is called the National Foreign Intelligence Program [NFIP] and encompasses the CIA, the NSA, the DIA and the NRO. The NFIP [pronounced EN-fip] is Casey's responsibility as director of central intelligence.

The other half of the intelligence budget, however, falls under the control of Defense Secretary Caspar W. Weinberger. This \$12 billion slice is known as TIARA, or Tactical Intelligence and Related Activities.

As Weinberger pointed out in his budget message this year, the biggest "user" of intelligence is not the army of CIA and State Department analysts who forecast trends around the globe. In closed-session testimony before one of the intelligence committees recently, Weinberger called the Pentagon "the biggest customer" for intelligence collection worldwide.

The TIARA budget pays for the ongoing intelligence activities in the military services necessary to keep them ready for war. This includes Air Force reconnaissance flights and communications intercepts; early warning satellites; various types of spy satellites; all personnel in the services who are detailed to intelligence, and planes, ships and submarines dedicated to keeping up with the military threats that face U.S. forces round the world. It also includes intelligence assistance to allies.



WILLIAM J. CASEY

... responsible for NFIP spending

Thus TIARA includes the cost of the remotely piloted spy planes that the Defense Department introduced in Central America last year to assist friendly forces surrounding Nicaragua, where the CIA once supervised a paramilitary army of rebels paid for out of the other half of the intelligence budget.

Another TIARA program includes such esoteric equipment as the TR1 aircraft equipped with "synthetic aperture radar," the latest technology adopted by U.S. forces in Europe.

In the other half of the intelligence budget, where Casey presides, \$5 billion of the roughly \$12 billion NFIP budget goes to the NRO, which oversees the large investment in photo reconnaissance and signals intelligence satellites.

The NSA, which collects radio and microwave signals worldwide, provides security for government communications, and cracks military and diplomatic codes swallows \$4 billion.

The CIA, whose analysts prepare national intelligence estimates for the president and whose clandestine service runs agent networks in many countries, absorbs about \$2.8 billion of the NFIP budget.

The DIA, the smallest of the agencies, provides analysis to defense planners under a budget of less than \$1 billion.

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